

**STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION**

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**Proceeding on Motion of the Commission to Examine Programs to  
Address Energy Affordability for Low Income Utility Customers**

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**Case 14–M-0565**

**The Natural Resources Defense Council, Pace Energy and Climate Center, WE ACT for  
Environmental Justice, the Association for Energy Affordability, the Center for Working  
Families, Enterprise Community Partners and the Green & Healthy Homes Initiative filing  
Jointly as “Energy Efficiency for All”**

**Dated: August 24, 2015**

**The Natural Resources Defense Council, Pace Energy and Climate Center, WE ACT for Environmental Justice, the Association for Energy Affordability, the Center for Working Families, Enterprise Community Partners and the Green & Healthy Homes Initiative filing Jointly as “Energy Efficiency for All”**

Comments to New York Public Service Commission Staff Report

Case 14–M-0565

August 24, 2015

**Table of Contents**

<b>I. Introduction.....</b>	<b>3</b>
<b>II. New York Needs an Integrated Strategy to Address Affordability, Ensure Optimal Use of Customer Funds and Facilitate a Just Energy Transition in New York State .....</b>	<b>3</b>
<b>III. Low Income Consumers Must Be Both Empowered and Protected Throughout New York’s Clean Energy Transition.....</b>	<b>5</b>
<b>IV. Energy Efficiency for All Recommendations for this Proceeding.....</b>	<b>6</b>
<b>V. Conclusion.....</b>	<b>9</b>

## **I. Introduction**

The Natural Resources Defense Council (“NRDC”), Pace Energy and Climate Center, WE ACT For Environmental Justice, the Association for Energy Affordability, the Center for Working Families, Enterprise Community Partners, and the Green & Healthy Homes Initiative, here filing jointly as “Energy Efficiency for All,” are pleased to present these comments (“Comments”) to the New York Public Service Commission (“Commission”) Staff (“Staff” or “Department”) Report filed on June 1, 2015 (“Staff Report”) in Case 14–M-0565, Proceeding on Motion of the Commission to Examine Programs to Address Energy Affordability for Low Income Utility Customers ( “Proceeding”).

Energy Efficiency for All is a coalition that advocates for energy efficiency and complimentary renewables in affordable multifamily housing and a just and inclusive clean energy transition for all New Yorkers, including low income, green workforce and environmental justice concerns.

## **II. New York Needs an Integrated Strategy to Address Affordability, Ensure Optimal Use of Customer Funds and Facilitate a Just Energy Transition in New York State**

Energy Efficiency for all supports the Commission’s efforts in this Proceeding to improve New York’s programs for low-income consumers and establish a streamlined approach on discounts for use in future rate cases. This can be a helpful step towards creating efficiencies for both Staff and advocates.

Energy Efficiency for all, however, believes that this Proceeding should not be viewed in isolation from the Reforming the Energy Vision (“REV”) and related proceedings that are now

affecting a clean energy transition in the State.<sup>1</sup> An integrated approach means uniting the various prongs of REV, which are designed to address energy burdens and assist low- to moderate-income New Yorkers, into a cohesive set of goals and strategies to address equity and affordability. As stated in the Staff Report, New York’s existing energy assistance programs “do not conform to a consistent set of goals or objectives.”<sup>2</sup> We agree with the Staff Report that, in light of pending industry changes, including those associated with New York’s energy transition, a “stronger and more comprehensive approach to the design and delivery of these programs ... is warranted ... [and] can be taken.”<sup>3</sup> These approaches must also be in line with New York’s most pressing policy goals and statutory obligations,<sup>4</sup> including those of equitably providing energy assistance and creating energy affordability for New Yorkers.

Energy Efficiency for All believes that a more integrated approach to promoting affordability and reducing energy burdens is needed to both meet the Commission’s statutory duties to low income customers and to facilitate a just and equitable clean energy transition in New York State. An integrated approach will also help achieve a core tenant of REV, namely **better leveraging customer, utility and private market funds to find and exploit system wide efficiency, drive markets, create a cleaner, decentralized grid, and ultimately lower costs.**<sup>5</sup> As identified in the White Paper, low income New Yorkers suffer a high energy burden

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<sup>1</sup> Including “Reforming the Energy Vision,” and “The Creation of a Clean Energy Fund”. *See* Staff Report at 2.

<sup>2</sup> Staff Report at p. 1

<sup>3</sup> Staff Report at p. 2

<sup>4</sup> *Id.*

<sup>5</sup> Case 14-M-0101, Public Service Commission Order Adopting Regulatory Framework and Implementation Plan, February 26, 2015 at p. 14 (“The confluence of cost, reliability and environmental concerns cannot be satisfactorily resolved under a business as usual approach. In order to fulfill its statutory duty, the Commission must consider new approaches.”)

and current low income assistance program budgets do not, and perhaps cannot, meet the energy needs of all low income New Yorkers.<sup>6</sup>

Energy Efficiency for All believes that REV's focus on efficiency, innovation and market supports to facilitate grid modernization must also apply to the development of solutions designed to increase affordability and reduce energy burdens. **Solutions to energy burdens are inextricably linked to energy efficiency and other distributed energy resource ("DER") opportunities.** The consideration of efficiency and DER within low income assistance programs is ultimately the best way to leverage these funds to the benefit of all New Yorkers, and meet this Proceeding's goals and directives. These directives include examining the state's approach "to ensuring low income customers are not overly burdened with their energy bills,"<sup>7</sup> and making sure that "low income assistance programs should be consistent with statutory and policy objectives, reflect best practices, improve energy affordability for low-income households and make appropriate use of ratepayer funds."<sup>8</sup>

### **III. Low Income Consumers Must Be Both Empowered and Protected Throughout New York's Clean Energy Transition**

It must also be noted that the lowest income New Yorkers are least able to shoulder any risks related to REV and the clean energy transition. We agree with Staff that the success of the REV and related initiatives, particularly those directed at low- to moderate-income New Yorkers, can "help narrow the affordability gap that needs to be filled with direct financial assistance for customers with low incomes." Energy Efficiency for All also agrees with the Commission, and

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<sup>6</sup> Staff Report at 5.

<sup>7</sup> Staff Report at 1.

<sup>8</sup> Id.

the New York State Constitution, that “aid, care and support of the needy are public concerns,”<sup>9</sup> and that energy service is “necessary for the preservation of the health and general welfare and is in the public interest.”<sup>10</sup> Thus, in order for New York to fulfill its statutory duties, it is critical that **the most vulnerable low income customers must, in all cases, be both protected and empowered throughout the REV clean energy transition.** Current low income assistance programs should be deployed as efficiently as possible, with existing budgets protected and ideally, expanded.

#### **IV. Energy Efficiency for All Recommendations for this Proceeding**

Energy Efficiency for All believes that the Commission should take the opportunity to use this Proceeding to develop approaches that protect and empower low income New Yorkers through the State’s energy transition. In this brief statement, Energy Efficiency for All makes the following recommendations to Staff and the Commission regarding this Proceeding and low income assistance programs:

- 1. Make Coordinated Affordability Approaches to Efficiency and DER a Goal or “Principle” of Low Income Assistance Programs.** Energy Efficiency for all generally agrees with the guiding program principles of the Affordability Proceeding. They include that programs should: (1) be simple to understand, explain, and administer; (2) be generally available to customers under the same eligibility guidelines currently used for New York’s Home Energy Assistance Program (HEAP); (3) automatically enroll eligible customers; (4) confer a meaningful bill decrease; and (5) be funded by all customer

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<sup>9</sup> New York State Constitution, Art. 17, Sec. 1, as quoted by the Commission in the Low Income Energy Affordability Proceeding “Order Initiating Proceeding,” January (“OIP”).

<sup>10</sup> Public Service Law, §30, Home Energy Fair Practices Act.

classes. Energy Efficiency for All asks that another goal be added to these. Specifically, low income programs should be effectively coordinated with energy efficiency and DER opportunities throughout REV and associated proceedings, and in future rate cases.

- 2. Ensure Appropriate Coordination Between This Proceeding and Parallel Processes, Including REV, The BCA and the CEF.** The REV and related proceedings have created a complex set of processes. It is crucial that the outcome of this Proceeding is effectively coordinated with all related parallel processes. Energy Efficiency for All asks the Commission to direct the appropriate coordination of this Proceeding with related REV proceedings to ensure an integrated approach to affordability. Specifically, programmatic developments that come out of this Proceeding must be firm enough to ensure continued affordability of benefits for the low-income sector, but also be flexible enough to be smoothly implemented with REV, CEF, and all related proceedings.
- 3. Embrace a Multi-Pronged Approach to Statewide Affordability Programs.** As stated above, Energy Efficiency for All supports an integrated approach to achieving affordability in New York. In this Proceeding, the New York Department of State Utility Intervention Unit (“UIU”) has forwarded a multi-pronged approach.<sup>11</sup> Energy Efficiency for All urges the Commission to evaluate this approach, particularly the UIU’s call to: (1) extend eligibility to include the Lifeline criteria in addition to HEAP; (2) increase the discount amount to reach the 6 percent energy burden standard; (3) implement weatherization and energy efficiency measures for housing in which low income people reside; (4) establish uniform arrears forgiveness in all service territories; (5) consider

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<sup>11</sup> Staff Report at pp. 18-19

utility rate designs that include an “affordability block” that reward low income customers for using less energy; and (6) implement evaluation metrics, quarterly reports requirements and an annual review by Staff to gauge program effectiveness. We support the Staff Report recommendations to ban reconnection fees for low income customers and end allowances in program costs for waiver of reconnection fees.<sup>12</sup>

4. **Prepare to Seize the Extensive Low Income Benefits of Energy Efficiency.** There is significant potential for energy efficiency savings in the low-to-moderate income sector. Two recent studies completed by Optimal Energy for Energy Efficiency for All found that over 60% of multifamily dwellings within the state of New York are affordable multifamily housing units.<sup>13</sup> Significantly, this sector has the potential for over \$3 billion in net energy efficiency benefits over the next 20 years, a potential that remains largely untapped.<sup>14</sup> These benefits can increase energy affordability and improve the health and well-being of New Yorkers. These savings are absolutely necessary to help “fill the gap” between existing program budgets and the urgent energy assistance needs of New Yorkers. The Commission should, in the Proceeding and others, acknowledge and support the positive link between low income assistance and energy efficiency programs and projects.
5. **Acknowledge the link between DER participation and affordability.** It is important that the Commission ensure that DER and its associated benefits be made available to low income communities. As we have said in earlier comments, “many affordable

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<sup>12</sup> Staff White Paper at 53.

<sup>13</sup> Energy Efficiency for All CEF Comments at 9

<sup>14</sup> *Id.* at pp. 10-11



multifamily buildings are located in areas where DER has the potential to create efficiencies, prevent costly utility upgrades and present alternatives to traditional centralized generation.”<sup>15</sup> Creating the proper structure to allow all New Yorkers to access the benefits of DER must be a priority of the REV and related proceedings. To do so, it is essential that the benefits of DER be affordable. Low income assistance programs should be complimentary to these efforts.

## **V. Conclusion**

Energy Efficiency for All supports the efforts of the Commission and Staff to improve and streamline energy assistance programs in New York. We ask that the Commission ultimately adopt an integrated, multi-pronged and statewide approach to affordability in the State. Further, we ask that the goals and priorities of REV, including using energy efficiency and DER to capture system wide efficiencies, be expressly used to achieve affordability goals in New York State. An important vehicle for this is ensuring that, going forward, the outcomes of this Proceeding effectively link with REV and related proceedings. Thank you.

Respectfully submitted:

*[Signatures to Follow]*

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<sup>15</sup> Case 14-M-0101, Energy Efficiency for All Reply Comments to the Reforming the Energy Vision Track One Straw Proposal, October 24, 2014 at p. 1

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